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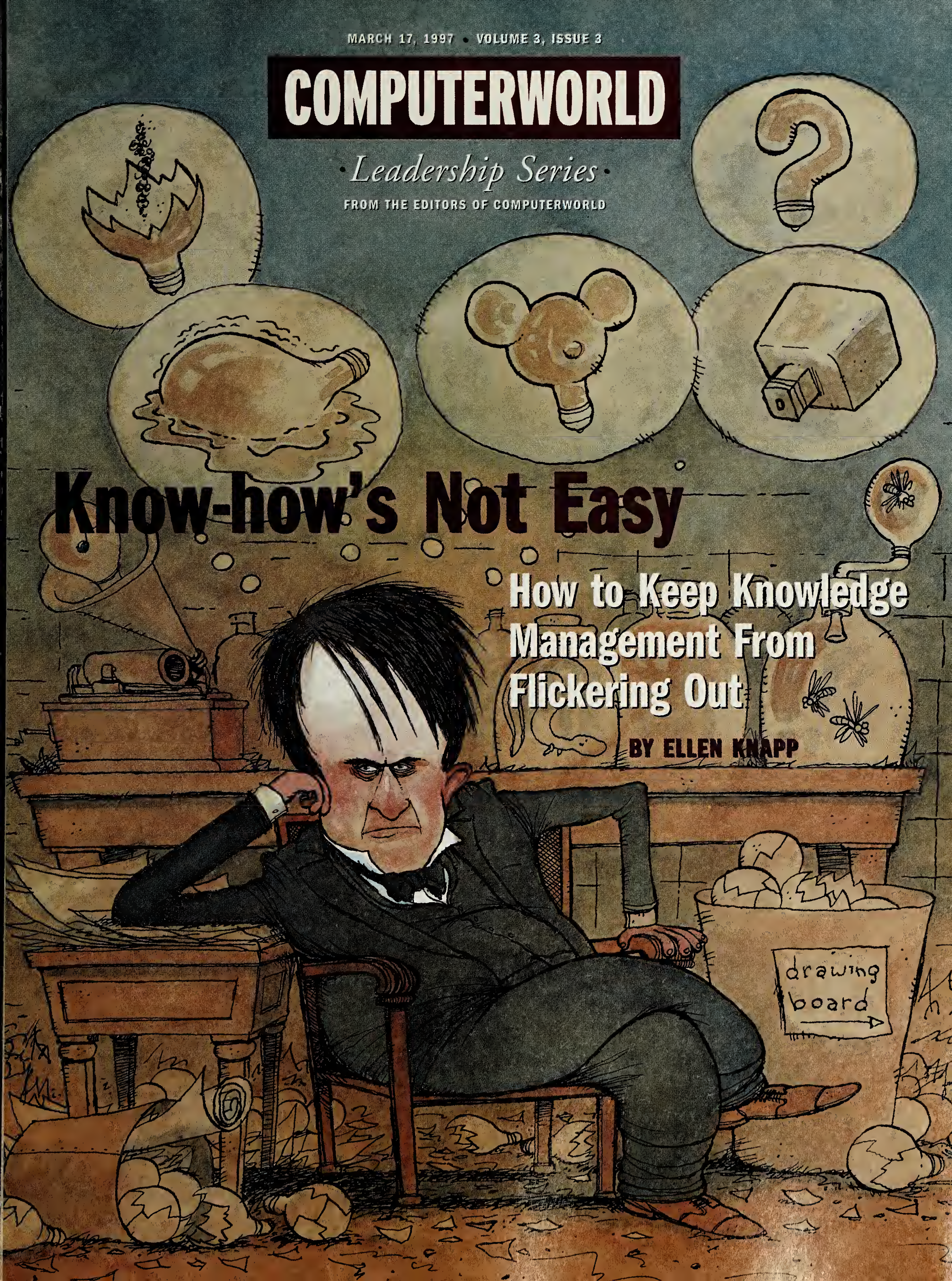
Know-how's Not Easy

How to Keep Knowledge Management From Flickering Out

BY ELLEN KNAPP

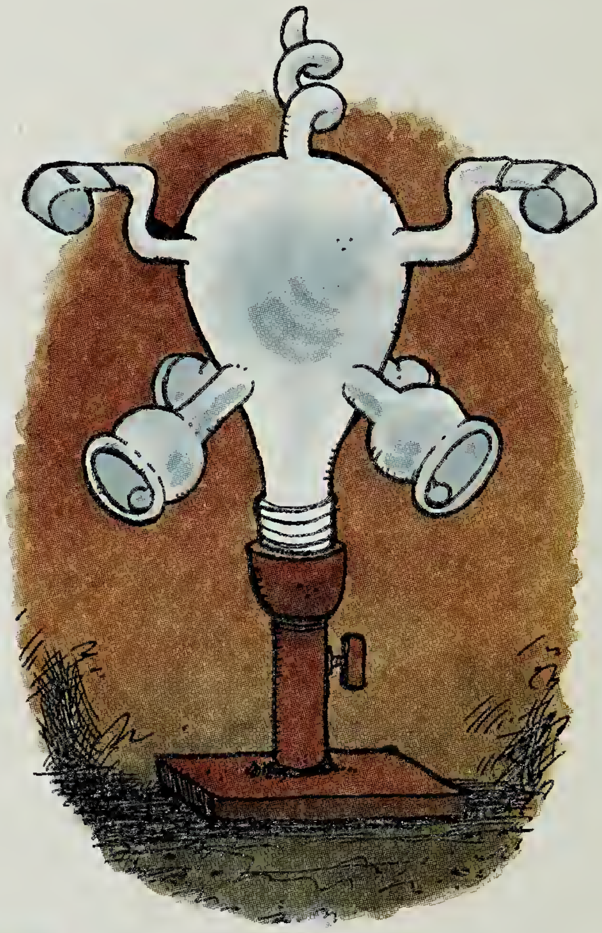


Too many goals, too much information and unenthusiastic personnel can dim your knowledge management efforts. Here's how to keep your knowledge management initiative shining bright.

IT TOOK THOMAS Edison over 6,000 attempts before he found a filament for his first light bulb. As he said, "Genius is 1% inspiration and 99% perspiration."

Likewise, implementing knowledge management on an organizationwide basis is no overnight project. Companies are using knowledge to foster customer intimacy, operational excellence and innovation, but it takes perseverance and hard work. Just what makes it so hard?

I've reflected on some of the work we have done in the area of knowledge management. I'd like to share with you some of the most difficult implementation issues we've seen and how they have been overcome.



Too Much, Too Soon

THE PRESSURES on knowledge management projects are often overwhelming. Organizations seek immediate bottom-line benefits and direct results, frequently driving people to set out first stage goals that are way too ambitious. It's no wonder that one of the major implementation problems is simply trying to accomplish too much at once.

Trying to do too much almost became a real problem for one financial services company. Management was under a lot of pressure; the company's growth rate was lagging behind comparable companies in its industry. The firm needed to be better at anticipating market and customer demand and developing new products that would meet these emerging needs. Management reasoned that a corporatewide infrastructure to share knowledge could help the firm be more innovative and thus help retain customers and obtain additional business.

That desire to become more innovative spawned a long list of ambitious goals for this knowledge management initiative. Executives wanted not just to improve product development and anticipate customer needs, but to move the company far beyond its past practices. They wanted their new knowledge infrastructure to boost creative problem solving, something current systems did not support. Management hoped to reach a new level of customer focus, of intimacy, loyalty and enhanced relationships with their customers. Executives felt this required turning the company into a virtual organization, with business units working together through use of technology.

It is impossible to address so many goals at once. Executives need to select their priorities. But how?

Picking one target product area to be "fixed" at a time is the best way to start. Look for the most immediate, tangible results you can provide by knowledge-sharing, while keeping in mind the company's overall strategic direction. The financial services company picked its target by looking at which product lines suffered the most from obsolescence and lack of customer focus and seeing why the people responsible were not very innovative in reviewing those products. They could then figure out what new knowledge should be provided and who needed it most.

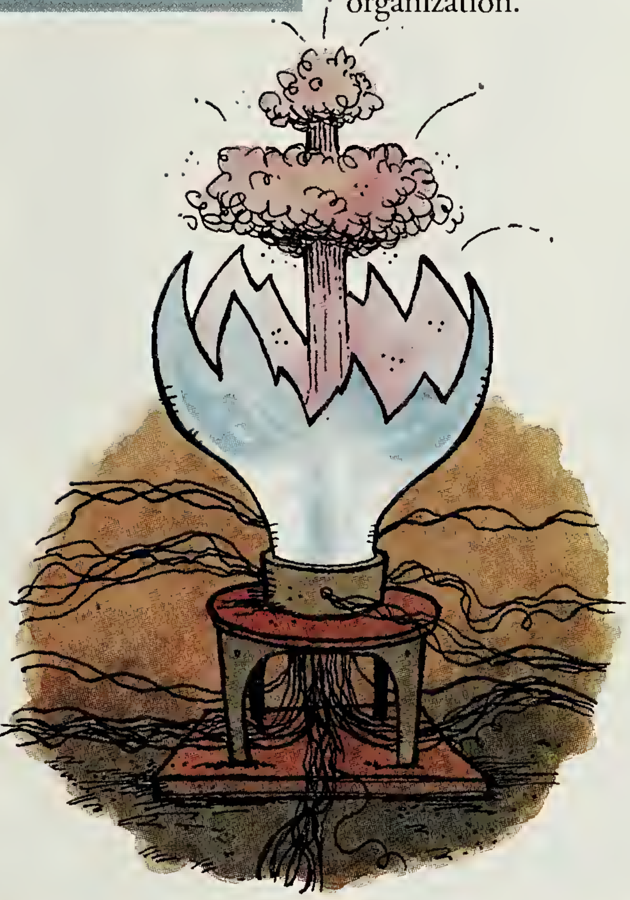
Once it's clear where knowledge-sharing can have the most impact, the next step is planning and implementation. The financial services firm did it by creating product development "innovation teams." The teams partner IS staff with product champions, marketing people and other business types. (This is an approach we have also used at Coopers & Lybrand.) The teams encourage creativity and debate and result in a wide range of suggestions and possibilities.

Planning and innovation teams helped the company to prioritize its knowledge management efforts. In time, it also had two other desired effects: organizational change and product innovation. As they worked together, members recognized the benefits of bringing together people with different viewpoints and knowledge sets. The teams also learned how to use IT more effectively. As part of the team, IS was involved in the overall design and implementation of these processes. The result: The company began to develop new products and anticipate new markets, while changing into a knowledge-based organization.

Art, Not Science

WE DEFINE knowledge management as "the art of transforming information and intellectual assets into enduring value for an organization's clients and its people."

In our definition, my colleagues at Coopers & Lybrand deliberately chose the word "art." Knowledge management involves bringing people together in flexible ways, rather than imposing fixed, rigid roles with given rules. Practitioners need to adjust and respond appropriately as circumstances change.



Information Overload

IN AN ERA where it's easy to access a world of information, avoiding information overload is an issue in knowledge management. Sometimes, too much information can hurt productivity instead of helping.

Recently, another organization came to us concerned that it wasn't seeing the business benefits it had expected from the search engines, online information access capabilities and reference tools it had provided its employees. Management had expected to see an improvement in the quality of research and reports; instead they perceived a decline. People were taking even longer to pull research together, and the reports were filled with seemingly irrelevant material. People

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were overwhelmed by the vastness of the sources now available.

The problem is really not surprising. Just think about how much time is wasted on pointless Web searches by inexperienced people.

The answer? Become a "picky eater." It's more useful to provide quality information and analysis than access to thousands of sources.

Companies need to be selective about their information sources. They should figure out what knowledge is needed to do certain jobs, and how to provide the information. Nor should management assume that intelligent agents and filters alone can save their firms from the information overload demon. A much more effective way to turn information into knowledge is to choose the best information sources up front, and then use agents and filters to search through that preselected information.

We're taking this approach at Coopers & Lybrand by creating a new kind of library we call CyberLyb. The goal: provide access to the best thinking worldwide. We had our top library and research people select the best business information sources, be they equity research from investment banks, credit analyses from major rating organizations and business and trade periodicals. We also created links to the best Web sites for financial and economic statistics, as well as top online technical resources.

However, picky eating isn't enough; knowledge workers need support to help use the sources they've been given. That can be provided through a "content help desk." Just as IT support units answer hardware, software and network questions, knowledge managers need to help guide people through the content maze. We have such a content help desk in use at Coopers & Lybrand; while we have talked to many organizations that plan to do this, none that we know of has implemented one so far.

Capturing Best Practices

CAPTURING AND implementing best practices is one of the most common reasons companies engage in knowledge management. But how do you know which practices are truly best practices? How do you turn that know-how into a usable system?

Many companies try to do too much and capture all their company's processes. Instead of best practices, they end up with giant databases that are unwieldy, unmanageable compilations of practices: some good, some bad, some mediocre and few truly "best." These systems force users to wade through reams of information before getting to any real gems.

What is the answer? Start by finding the best people. Look for experts who are sought out by their associates when they have questions. Seek out "franchise thinkers" who do the best work and understand the organizational strategy.

How do you find these people? A good approach is to perform "knowledge audits" and create "knowledge profiles" so that you can see what knowledge is needed to perform a particular function and the effects of personality and perspective. They help companies understand what kind of person is likely to succeed in a given position.

A knowledge audit reviews the overall knowledge assets of an organization, or the sources, references, systems, training, etc. that an organization already has in place. These include its people, methodologies, publications, speeches, presentations, work products and lessons learned from experience.

You can think of knowledge profiles as a "yellow pages" of who knows what. They focus on specific aspects of the requirements involving knowledge and their sources as personified in a person or position. A profile can focus on geography, organizational units, industries, company policies, regulations, processes, or whatever is required to understand what knowledge it takes to perform well in a task or function.

These techniques were used by an organization which re-engineered its customer service process. One outcome of the re-engineering was the development of a customer service workstation. Although the workstation was a success, much of the knowledge in people's heads never made it into the workstation. The system lacked "strategy nuggets," the rules of thumb that those high performers had been using for years to recognize and respond to the customers' hidden messages ("I'm anxious about this." "I'm confused." "Can you really help me?").

Capturing that information became the new goal — both to foster learning and to make sure that if high-performing people left the firm their know-how remained.

The company did a knowledge profile of the various levels of customer service representatives (CSR) to understand what knowledge existed, what the best practices were as done by the high performers, and what it takes from a skills, knowledge and training perspective to perform them. It was then possible to develop methods for knowledge acquisition and sharing techniques to capture and disseminate that information.

They found the "strategy nuggets" by using the interview techniques employed by knowledge engineers to develop artificial intelligence systems. In this case, some of the questions asked to create a knowledge profile include:

- What roles do the customer service representatives take when answering calls? (e.g., expert, confidant, 'friend,' salesman, sympathizer?)
- What makes a particular CSR better than another?
- What skills are required to be a good CSR?
- What kinds of knowledge do CSRs need (procedures, regulations, products, industry trends)?
- How do CSRs get this knowledge and keep it current?
- What knowledge and skills are not supported by current tools and training?
- What personality types tend to be most effective in this job?
- Is educational background a critical determinant?
- Is it possible to make a generalization about the "required" personality and background for a particular CSR position?

Using the answers, the company profiled the kind of knowledge and the skills required by CSRs, how important each was for success, how they are acquired both formally and informally and the personalities encountered. The company, with our help, created a template which ranked people as trainee, novice, intermediate and expert depending on their skill in dealing with customers, time on the job and knowledge employed. For each level, they identified any special skills and knowledge required. Besides helping the company decide what kind of people it needed, it helped the firm answer other questions: What are our training gaps? What should we look for in our new people? What knowledge sharing activities do we need? What systems would really get knowledge sharing going in the company?

The result was a knowledge-based system everyone uses and is expected to replenish and update. Initially designed on paper and called the "Customer Service Representative Playbook," it contains scenarios of many different types of calls from customers and how they were handled by those who were identified through the exercise above as high performers who employed best practices. The information could then be used by the less experienced to learn how to handle a given situation.

Ultimately it was translated into a Lotus Development Corp. Notes database on the customer service workstation. The system became the "working memory" of the group. To keep it current, all of the CSRs gather daily to share and record items they learned and new methods they created. They follow carefully thought out guidelines on what can be entered, and a simple filtering mechanism makes sure that the information is appropriate. Contributing knowledge for sharing has become part of the CSRs' daily routine. This not only provides people with needed skills enhancement but stimulates thinking about how to do their work.

5 Steps to Knowledge Management

1 **THINK backwards. Before developing your own knowledge management systems, think about the end result you seek. How does knowledge fit into the company's most basic needs? What are your company's critical success factors?**

2 **IDENTIFY your company's thought leaders, the ones who are generating innovative insights.**

3 **ADJUST THE reward structure. Do your company's star performers tend to share knowledge or keep it to themselves? Are they knowledge hoarders? Rewards should be based on who shares best, not just who knows best. Integrate responsibility for contributing best practices and sharing knowledge within the employee appraisal process.**

4 **FOCUS on creating value through application to real situations. Don't just gather and store knowledge in a database somewhere but actively leverage it for daily use.**

5 **CONSIDER developing an interactive database where people can easily find and share information on best practices. To control quality, use subject matter experts to review the information that people submit. Have them think about who else could want it, how else it might be used, and where else should it be made available for the most utility.**

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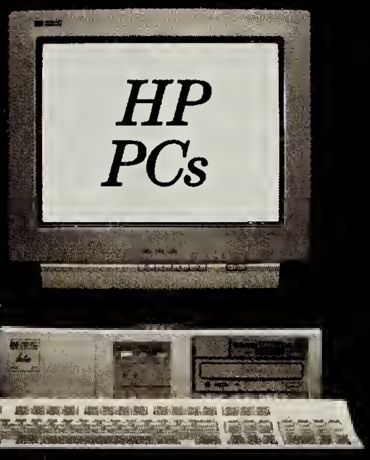

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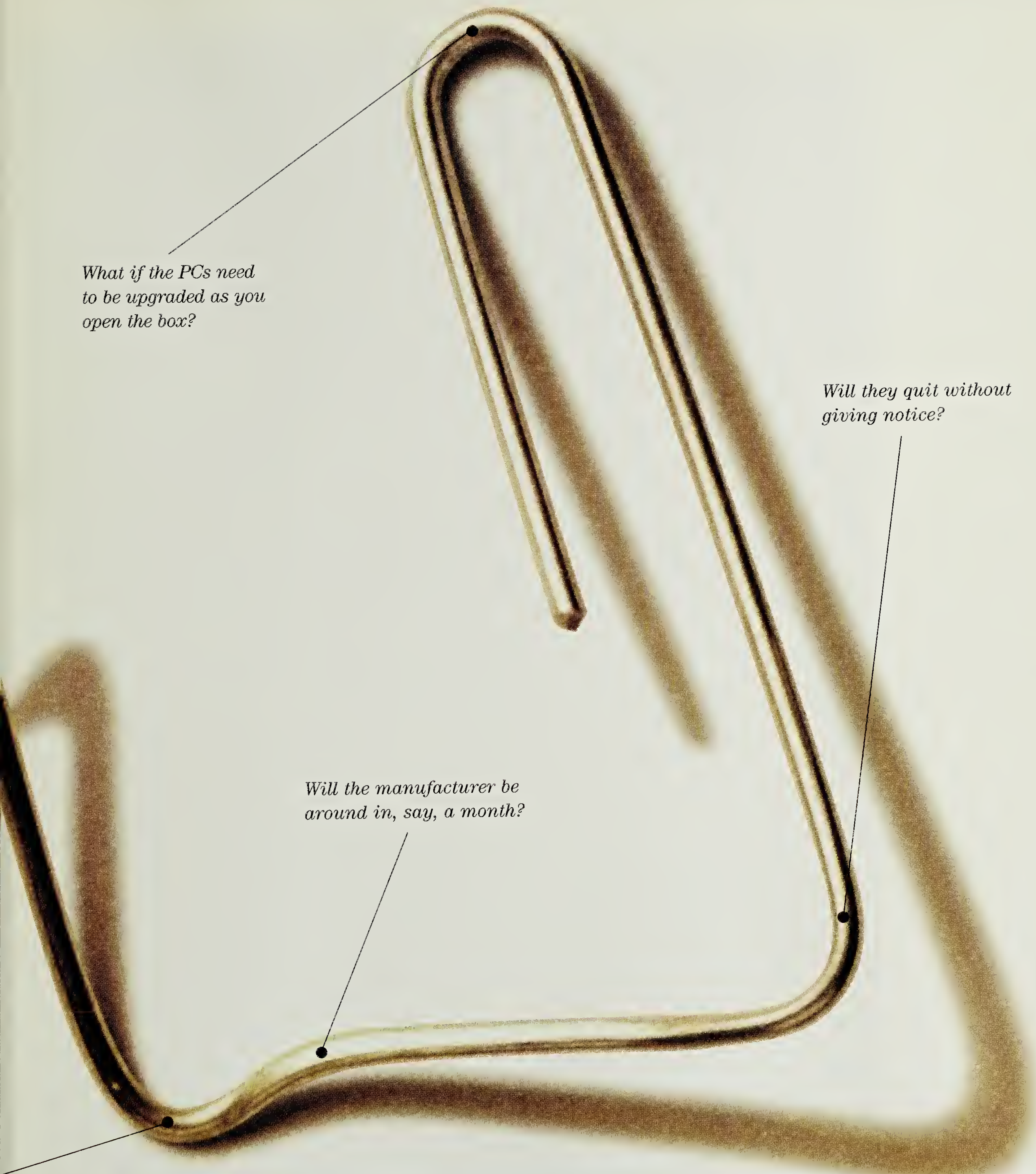

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Knowledge Management Web Sites

KNOWLEDGE MANAGEMENT HOME PAGE AT UNIVERSITY OF TEXAS AT AUSTIN

(kman.bus.utexas.edu)

This site is dedicated to knowledge management as it relates to the business world. It includes products for knowledge management, organizations that can provide information on knowledge management and other resources and publications, including papers by knowledge management expert (and U.T. professor) Thomas Davenport.

A BUSINESS RESEARCHER'S INTEREST

(www.brint.com/OrgLrng.htm)

This site provides thousands of pointers to other resources on the Web dealing with Organizational Knowledge Management and Organizational Learning, including articles, books, bibliographies and tools.

SVEIBY - KNOWLEDGE MANAGEMENT

(www2.eis.net.au/~karlerik/index.html)

This Australian site provides an introduction to knowledge organizations, lists books and articles and provides links to research. Two unusual features are links to the sites of Scandinavian companies that practice knowledge management and a description of Tango, a model which clarifies the business logic behind the knowledge organization.

STANFORD LEARNING ORGANIZATION WEB (SLOW)

(www-leland.stanford.edu/group/SLOW)

SLOW is an informal network of Stanford researchers, staff, students and businesspeople interested in learning organizations. One of SLOW's interests is the use of information technology to enable team learning and learning communities. The site includes references to articles, books, videos and other resources.

MIT ORGANIZATIONAL LEARNING NETWORK

(learning.mit.edu)

The site is run by MIT's Center for Organizational Learning, a partnership between researchers and major corporations who are building learning organizations.

INTERNATIONAL WORKPLACE STUDIES PROGRAM (IWSP)

(iwsp.human.cornell.edu)

Through the IWSP, Cornell University conducts research on innovative workplace strategies. This site includes white papers about collaboration and innovative work environments.

RENAISSANCE SOLUTIONS

(www.rens.com)

This site, sponsored by a management consulting firm, includes white papers and notices of upcoming seminars, conferences and schedules of events on continuous learning and other topics.

INNOVATION ASSOCIATES WEB SITE

(world.std.com/~ia)

This firm focuses on strategies for learning organizations and innovation, change and growth. This site includes public training programs, customized onsite training and lists of educational materials.

TELTECH RESOURCE NETWORK

(www.teltech.com)

Teltech Resource Network is a leading independent provider of technical research, analysis and consulting services to U.S. industry.

THE EXECUTIVE REPORT ON KNOWLEDGE, TECHNOLOGY AND PERFORMANCE

(www.knowledgeinc.com)

Knowledge, Inc. is a monthly executive newsletter that covers trends in information technology, organizational learning and knowledge management.

BUSINESS TRANSFORMATION BOOK CAFE

(www.vision-nest.com/BTBookCafe and www.vision-nest.com/BTBookCafe/KGarden)

The Cafe, run by Business Transformation, enables global conversations where executives, labor leaders, managers, professionals, entrepreneurs and all interested in business can explore the deeper issues which shape our working life.

LEARNING-ORG DIALOG ON LEARNING ORGANIZATIONS

(world.std.com/~lo)

This site includes discussion dialogs about learning organizations. It includes information about a Learning-Org mailing list and archive, as well as an amusing section on people's responses to the question, "Why a Learning Organization?" Sponsored by Richard Karash, speaker, facilitator and trainer on learning organizations.

THE FIFTH DISCIPLINE FIELDBOOK/ RESOURCES CONNECTION

(www.fieldbook.com)

Strategies, tools and connections for building a learning organization, based on Peter Senge's popular book on learning organizations.

OTHER MAGAZINE RESOURCES

FastCompany Magazine (www.fastcompany.com) CIO Magazine (www.cio.com)

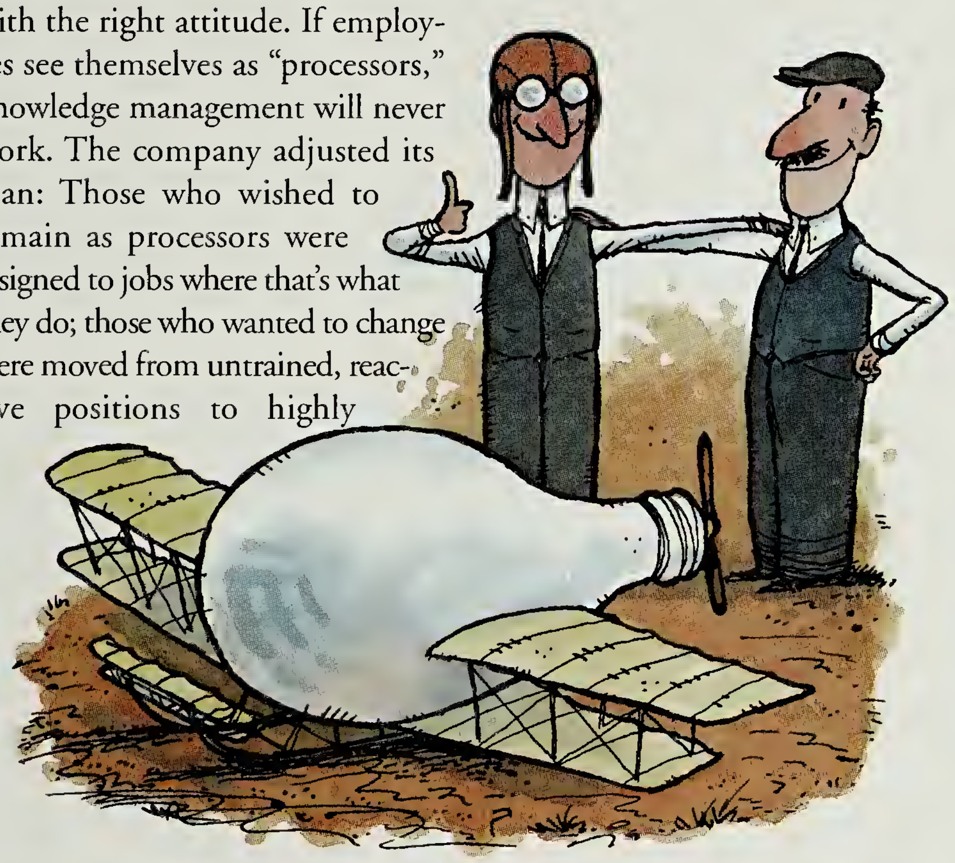
Avoiding the Wrong People

KNOWLEDGE management depends on people — specifically knowledge workers. Sometimes though, companies try to turn the wrong kind of people into knowledge workers.

What do I mean by the "wrong people?" Consider this case:

A financial services company wanted to re-engineer its core processes and related information systems for underwriting, billing and issuance. One objective was to transform two groups of people who work with the planned system — analysts and processors who entered data about the bond operations — into knowledge workers who support each other. This would allow the processors to take on new functions, such as underwriting.

However, the company failed to make a critical connection: Management didn't understand the personal values of the processors, those things which people really care about in their work. Unlike the analysts, the processors didn't have college degrees and didn't have any training in underwriting. Many felt they didn't have the information or training needed to do things differently. But there was another major constraint: Most of them had the attitude of a clerk rather than a creative thinker. They liked processing claims and were simply not interested in this new role.



The lesson? Having a new system is not enough; you also need people with the right attitude. If employees see themselves as "processors," knowledge management will never work. The company adjusted its plan: Those who wished to remain as processors were assigned to jobs where that's what they do; those who wanted to change were moved from untrained, reactive positions to highly trained, proactive positions. All were more satisfied with their work.

There are real and immediate benefits to developing knowledge management strategies, activities and related systems in your organization. But they can be hard to achieve if you don't follow a few steps:

- Don't develop knowledge management systems for the sake of collecting great information.
- Put knowledge to work daily to benefit people, boost performance and improve value.
- When you begin your first knowledge management project, aim to produce a quick business benefit that others can appreciate.
- Focus on acquiring and organizing the most relevant information assets out of all the sources available.
- Take the time to develop software and create methodologies for accessing and analyzing knowledge.
- Remember that you need to understand how people think, not just what they know.

There are many different ways to approach knowledge management, but deal with it we must for success in the 21st century. As one of my favorite professors, James Brian Quinn at Dartmouth College's Amos Tuck School, put it recently: "The only two economies of scale today are distribution and information."

ABOUT THE AUTHOR

Ellen Knapp is Vice Chairman and Chief Knowledge Officer at Coopers & Lybrand, L.L.P. in New York. Ms. Knapp is responsible for identifying and leveraging knowledge assets to create competitive advantage and catalyze organizational change at Coopers & Lybrand and for integrating these assets into the firm's programs. She is co-author, with *Computerworld* columnist Peter G.W. Keen, of *Every Manager's Guide to Business Processes,* published by the Harvard Business School Press.

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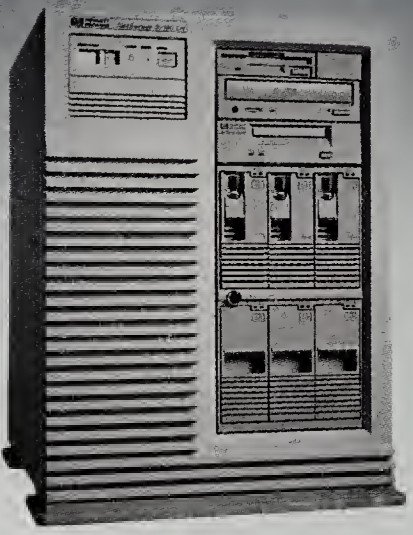

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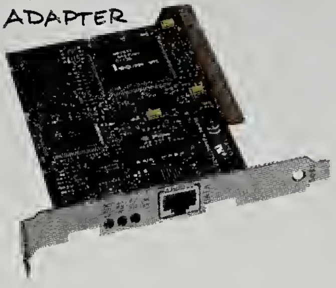

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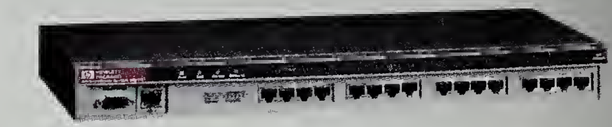

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